PENALTY RIDER

BOND NO. 6269811

To be attached and form a part of Bond No. 6269811 dated the 11th day of May, 2004, executed by Safeco Insurance Company of America as surety, on behalf of BlueStar Energy Services, Inc. as principal, and in favor of The People of the State of Illinois, obligee, and in the amount of One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that

Safeco Insurance Company of America hereby consents that effective from the 11th day of May, 2005, said bond shall be amended as follows:

BOND PENALTY SHALL BE Increased:

FROM: One Hundred Fifty Thousand Dollars and 00/100 (\$150,000.00)

TO: Three Hundred Thousand Dollars and 00/100 (\$300,000.00)

Increase of said bond penalty shall be effective as of the 11th day of May, 2005, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

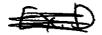
Signed, sealed and dated this 20th day of May, 2005.

BlueStar Energy Services, Inc.
PRINCIPAL

Safeco Insurance Company of America

Diane M. O'Leary, ATTORNEY-IN-FACT

Exhibit B





POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF MERICA GENERAL INSURANCE COMPANY OF MERICA HOME OFFICE: SAFECO FLAZA SEATTLE, WASHINGTON \$6185

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That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*WILLIAM REIDINGER: STEVEN H. CADE; DONNA WRIGHT; DIANE M. O'LEARY; JEFFREY M. LEADLEY; BRIAN PASSOLT; Chicago, Illinois*****

its true and lawful altomey(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby,

IN WITHESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have such executed and attested these presents

CHRISTINE MEAD, SECRETARY

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V. Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint incividuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company lidelity and surety bonds and other documents of similar character lessed by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument contemps such authority or on any bond or undertaking of the company, the seel, or a fecsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertailing."

> Extract from a Resolution of the Board of Directors of SAFEGO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an essistant secretary of the Company setting out,

(I) The provisions of Article V, Section 13 of the By-Laws, and

(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and

(fil) Certifying that said power-of-attorney appointment is in full force and effect.

the signature of the certifying officer may be by fecsimile, and the sest of the Company may be a facetable thereof."

I, Christine Mesti, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the Sy-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITHERS WHEREOF, I have hereunto set my hand and affixed the facelmile seel of said corporation





CHRISTINE MEAD, SECRETARY

STATE OF: <u>Illinois</u> COUNTY OF: <u>Cook</u>

On this <u>20th of May</u>, <u>2005</u>, before me personally appeared <u>Diane M. O'Leary known</u> to me to be the Attorney-in-Fact of <u>Safeco Insurance Company of America</u>, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid county, the day and year in this certificate first written above.

"OFFICIAL SEAL"
KAREN E. BOGARD
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 4/1/08

(Notary Public)

Karen E. Bogard

Revised January 3, 2003

License of Permit Bond License of Permit Bond No. 6269811 Safeco Insurance Company of America 10 S. Riverside Plaza, Sulte 330 Chicago, IL 60606

KNOW ALL MEN BY THESE PRESENTS, That we, BlueStar Energy Services, inc. as Principal, and Safeco Insurance Company of America a Washington Corporation, and authorized to do business in lilinois, as Surety, are held and firmly bound unto THE PEOPLE OF THE STATE OF ILLINOIS as Obligee, in the sum of One Hundred Fifty Thousand and NO/100 Dollars (\$150,000.00), for which sum, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH, That WHEREAS, the Principal has been or is about to be granted a license or permit to do business to operate as an ARES (Alternative Retail Electric Supplier) under 220 ILCS 5/16-115 and is required to execute this bond under 83 lilinois Administrative Code Part 451.50 by the Obliges.

NOW, Therefore, if the Principal fully and faithfully perform all duties and obligations of the Principal as an ARES, then this obligation to be void; otherwise to remain in full force and effect.

This bond may be terminated as to future acts of the Principal upon thirty (30) days written notice by the Surety; said notice to be sent to 527 East Capital Avenue, Springfield, Illinois 62701, of the aforesaid State of Illinois, by certified mail.

Dated this day of May 11, 2004

BlueStar Energy Services, Inc. Principal

Agron Rasty, President & COO

Safeco insurance Company of America Surety

Steven B. Cade. Attorney-in-Fact.

Ex.D

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COUNTY OF	

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LOUN	TY OF COOK	
In this		, 20 04 , before me personally appeared
A 8-8-	Steven B. Cade	known to me to be the Attomey-in-Fact
	co Insurance Company, of America	the corporation that executed
this oc	in instrument, and acknowledged to me t	hat such cornoration executed the same.
N WIII	NESS WHEREOF, I have hereumo set n foresaid county, the day and year in this	ny hand and affixed my official scal, at my office pertificate first written above.
*	("OFFICIAL SEAL") KAREN E. BOGARD MITARY PUBLIC, STATE OF RUMBIS	Laur & Board (Notary Fylolic)

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CHILLIS OF ATTORNEY OBNERAL MOURANCE COMPANY OF AMERICA HOME OFFICE: GARCIEO PLAZA SCATTLE, WASHINGTON 18185

No.	13024			
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MINOR ALL BY THESE PRESENTS:

That BAPECO INSURANCE COMPANY OF AMERICA and GENERAL MISURANCE COMPANY OF AMERICA, each a Washington Corporation, does sack boroby appoint

william beidniche, sysych B. Calus Durna werent: Diane M. O'Early; Tepprey M. Leare by: Brian Passolt; Chingo, Elholossoch

he true and lands attenments in-hall, with the authority to execute on he behalf lifelity and surety bonds or undertakings and other documents of a similar character leaved in the course of its business, and to bind the respective company thereby.

IN WITHERS WHEREOF, SAFECO BIBURANCE COMPANY OF AMERICA and GENERAL (HISDRANCE COMPANY OF AMERICA have such standard and alivated Trape property

the fire day of hely CHRISTINE MEALL GECRETARY MIKE MCBAYICK, PRESENCHT

CERTAICATE

Sanct from the By-Lims of SAFECO INSURANCE COMPANY OF AMERICA and of SEREPAL SHAWANCE COMPANY OF AMERICA;

"Article V, Section 13. - PERELITY AND SURGETY SONDS ... the President, any Vice President, the Secretary, and stry Assistant Vice President appointed for their purpose by the officer in charge of surgety operations, shall each have authority to special individuals as alternape in-fact or under other appropriate titles with substrate on being at the company fidelity and surgety bends and other documents of signific objects because of the business... On any instrument making or evidencing such appointment, the algorithment of a significant or allowed by facebooks. On any instrument confidency and authority or on any band or undertaking of the company, the seal, or a langing the breast, may be improved or affixed or in any other manner repreduced; provided, however, that the seal shall not be represently to the vericity of any such instrument or undertaking."

Estrect from a Resolution of the Sound of Concises of EAFECO MISURANCE COMPANY OF AMERICA and of GENERAL, BISURANCE COMPANY OF AMERICA adopted July 26, 1970.

"On any carifficate executed by the Secretary or an assistant angressy of the Company wating out,

(i) The provisions of Article V., Section 13 of the By-Lews, and

(ii) A copy of the power-of-atterney appointment, executed pursuant thereto, and

(iii) Carifying that said power-of-atterney appointment is in full force and effect,
the signature of the certifying officer may be by facalitatio, and the seal of the Company may be in facalitation.

I, Chiefins Mond, Beardery of SAFECO MEDITANCE COMPANY OF AMERICA and of CHNERAL REURANCE COMPANY OF AMERICA, do hereby cirily that the foregoing extracts of the By-Laws and of a Resolution of the Board of Diseasons of Enter corporations, and of a Pewer of Allemay Install pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Allemay are still in full force and effect.

IN WITHERS WHEREOF, I have barezate put my hand and elibed the facelable and of said corporation

day of May 2004 11th





CHRISTINE WEAD, SECRETARY

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IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING THE TERRORISM RISK INSURANCE ACT OF 2002

As a surely bond customer of one of the SAFECO insurance companies (SAFECO insurance Company of America, General insurance Company of America, First National insurance Company of America, American States insurance Company or American Economy Insurance Company), it is our duty to notify you shat the Terrorism Risk insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursoment of cortain surety bond losses by the United States government under a formula established by this Act.

linder this formule, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of serrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement overanteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.

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